

6 NOV 1959

MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT: Manpower Control Program

1. This memorandum is for information.
2. The attached study, entitled Manpower Control Program for the Clandestine Services, and regulations [] are forwarded to you in anticipation of our planned discussion at 10 a.m. on 12 November.
3. I am sending copies of this study to the Deputy Directors (Intelligence), (Plans), and (Support), the Inspector General, the Director of Communications, and the Director of Training, who, as you know, are members of the Career Council. I am not asking for their concurrence in the proposed regulations at this time but rather that they review these proposals and provide me with their informal reactions to them before the meeting on the 12th.
4. Regulation No. [] is intended for use both as an instrument in effecting manpower control operations in the interest of long-range planning and as an instrument to be used in any planned reduction in staff. It is therefore applicable to the DD/I and DD/S services as well as to the DD/P. The procedures as given in the last paragraph of the study of the Clandestine Services can easily be altered to fit the need to effect a reduction in staff. It will be seen that once it is established that a career service is over-strength for any reason the steps prescribed in HR [] will be applicable.

/s/ Gordon M. Stewart

Gordon M. Stewart
Director of Personnel

Attachment

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C O N F I D E N T I A L

D R A F T

4 Nov 59

SUBJECT: A Manpower Control Program for the Clandestine Services
Career Service

INTRODUCTION

1. Our statistical studies of Agency manpower have led us to the conclusion that the Clandestine Services Career Service will not be able to maintain its present level of operational activity unless steps are taken to provide for the recruitment into it annually of a substantial number of capable young officers and for their advancement at a reasonable pace. To be able to recruit these young officers, the service must separate an equal number annually. To be able to promote them, a means must be found to effect such separations among personnel occupying medium and higher grades. Attrition does not at present accomplish this nor will it in the future.

2. In addition to this basic and long-range problem, the Clandestine Services are confronted with problems arising from the present distribution of male officers by age and grade. Forecasts based on the present recruitment rates, the effect of ceiling, the distribution of male officers in grade GS-9 and above (not including TSS personnel), present attrition rates, and on the effect of the operation of the Civil Service retirement program show that

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the Clandestine Services will be staffed by a predominantly old group of employees by 1974. (Tab A)

3. Faced with this prospect, it is clear that the Clandestine Services must take steps to achieve an acceptable distribution of personnel by age groups and must also be equipped with the legal and administrative authority needed to maintain such a distribution. As a first step, we have drawn up what would appear to be a reasonable distribution of Clandestine Services personnel by age groups and also a distribution of positions or spaces by grades. As will be seen in Tab B, these two distributions are markedly different from those that obtain at present. The age distribution table provides for the introduction into the service of approximately it accounts for natural attrition, it provides for selection out of persons ill-adapted to clandestine work up to age 35 and for the annual forced separation of a percentage of those past age 50. The grade distribution is arranged to permit the progressive advancement of officers in the service. Its operation is dependent on the intake and separation rates described above and on adherence to preestablished promotion rates. Rates of promotion as given in Tab B are standard rates. Exceptions will be necessary in order to place the most capable men in positions of leadership at reasonably early stages in their careers.

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4. These distributions must be restudied and amended from time to time. The size of the Clandestine Services and the direction of its operational

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interests may be expected to change. The grade structure proposed may, after further study, be regarded as unworkable. However, the principles that underlie these distributions will not change and any effort to provide the Clandestine Services with a stable work force will have to be aimed in this general direction. For the sake of the argument in this paper, it is proposed that the distribution goals be accepted tentatively. They will be referred to as "controlled staffing."

5. Having agreed to "controlled staffing" as a desirable goal, the question of converting to and then being in a position to maintain it must be considered. The answer to this question must encompass:

- a. the legal authorities required to separate personnel involuntarily and to grant separation pay or annuities to those who qualify for such consideration;
- b. the procedures to be followed in identifying personnel to be separated and those to be granted benefits;
- c. a time table for accomplishing the conversion;
- d. an estimate of the effect of conversion on morale and on the Agency's efforts to recruit personnel; and,
- e. the way in which the manpower control program will be related to existing personnel procedures.

LEGAL AUTHORITY

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PROCEDURES

11. Before describing the procedures to be followed in identifying personnel to be separated and those to be granted benefits, a word about the relationship that exists between these two actions. The selection out procedures followed by the military services and the Foreign Service as well as those foreseen in the "hump" legislation granted to the Navy tie together into one action, the identification of the individual to be separated and the authorization of benefits. One follows the other automatically. CIA cannot do this because within CIA there is no pre-established group to which benefits can be automatically granted. CIA does not have a commissioned service. The Career Staff of CIA is too broad, the Clandestine Services Career Service too

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informal to qualify in this sense. It is for this reason that proposals relating to early retirement in CIA have, up to the present, included qualifying standards. [The one currently under consideration calls for 20 years of Government service, 10 years overseas, and 50 years of age.] It follows, therefore, that in the process of converting the Clandestine Services to controlled staffing the identification of individuals to be separated and those to be granted benefits will have to be accomplished in two distinct actions. Not all of those separated will qualify for benefits.

12. Since the procedures followed in identifying personnel to be separated will be distinct from those having to do with the granting of benefits, there is no reason to attempt to distinguish between personnel being separated for the purpose of converting to controlled staffing on the one hand and those who may be separated in consequence of a general reduction in strength or change in mission or function on the other. In fact, any attempt to make such distinctions and to provide benefits in one case and not in the other would involve the Agency in gross inequities. Benefits can be justified in terms of the length, nature, and circumstances of a man's service and not in terms of the administrative need of the Agency that caused his separation.

13. Thus, it is proposed that the procedures proposed in Reduction of Surplus Personnel (Tab C), be used in identifying personnel for separation. Categories to be reduced by grade, age group, and, if need be, by field of

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specialization can be established annually. The procedures established in this regulation can be applied to any defined category of personnel.

25X1A 14. [] provides standards and procedures to be used in identifying those individuals to whom benefits may appropriately be granted from among the total number being separated as "surplus" to the Agency's needs. We regard this regulation as a most important step forward in our system of personnel management in that it provides certain basic minimum guarantees to the man who makes intelligence and covert operations his profession, and it does not tie these to the nature of the action that might result in his separation (except insofar as he may be separated involuntarily under [] 25X1A It is a logical and thoroughly warranted extension of our employment contract.

TIMING

15. A close look at the distribution of Clandestine Services men by age and grade suggests that a single effort to convert to controlled staffing, i.e., one based on temporary hump legislation, would create an awkward situation. It would appear, for example, that a number of men in their thirties should be separated as soon as possible; for their sake (for if they must go, the sooner the better) and for the sake of sound administration, for they occupy the grades (GS-12 and 13) that most badly need to be reduced in number. On the other hand, it is evident that beginning three years from now and during the subsequent

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period of five years or so, a very considerable percentage of the men who occupy the middle and higher grade in the service will have completed twenty years of service and have reached age fifty. It seems only right to postpone any large scale thinning out of this group until its members have reached the age at which the granting of an annuity would be appropriate. Then, finally, although the long-term needs of the service require conversion to "controlled staffing" the operational needs of the next five to ten years may very well dictate that the conversion be undertaken gradually, that useful men (including those in their thirties, forties, and fifties) be retained after the day they enter the statistical "surplus" zones.

EFFECT ON MORALE AND ON RECRUITING

16. The traditional approach to a large scale reduction or staffing change is to do it as quickly as possible, and then start afresh. Take your public beating, and expect that the incident will soon be forgotten. This approach has merit and should be followed in solving part of the problem of the clandestine services. There should, in other words, be one "reduction of surplus personnel" and every effort should be made to include in it all persons who can be spared at that time. This would then be followed by a lively selection-out and early retirement program which would meet the further requirements of the service.

a. It is our opinion that the initial sizeable separation action will have a profound effect on morale. The Clandestine Services Career

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Service is a tightly knit group. Popular officers will of necessity be included among those to be separated. At the same time there is a strong feeling of frustration widespread among the best Clandestine Services officers which has its origin in the Agency's apparent inability to solve the manpower problem. In balance, it is our estimate that no permanent harm will be done to the Clandestine Services by undertaking a broad separation action.

b. Annual selection out will never be popular. It is not popular among those services that practice it. It will be an obstacle to recruitment, but one that can be met. Over a period of time, we will be able to develop and expand information programs and services that will help employees adjust their thinking to selection out.

25X1C

In fall, 1958, General Counsel discussed this precise point with

the effect of this program on recruiting and from the start made it a practice to inform prospective employees precisely how the program worked and its possible effect on their careers. His conclusion was that those who were bothered by such a program were probably the type he did not want and the good men accepted it as being a necessary part of good personnel management.

MANPOWER CONTROL PROGRAM AS RELATED TO EXISTING PERSONNEL PROCEDURES

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MANPOWER CONTROL PROGRAM AS RELATED TO EXISTING PERSONNEL PROCEDURES

17. The manpower control program required by the Clandestine Services can be fitted into existing and proposed procedures. An outline of the steps to be followed annually will illustrate how it is proposed that this be done:

a. Determination of number of persons to be separated annually by the Clandestine Services Career Service.

It is proposed that this be done at the time that the Career Service Staffing Authorization is reviewed. The following factors will be taken into consideration:

(1)

(2) Extent to which the Clandestine Services can accept overall reduction in interests of manpower adjustment (elimination of age and grade humps).

(3) Extent to which the Clandestine Services must reduce for budgetary, etc., reasons.

(4) Elimination of positions and categories of positions in the interests of efficiency.

b. Forecast of anticipated attrition by grade and category and determination of net reduction goals for each.

c. Approval of categories and goals by the Director of Central Intelligence.

d. Application of Agency reduction in staff procedures for

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purpose of establishing lists of personnel to be separated (Tab D).

- e. Review of all candidates for separation by the Director of Personnel to determine benefits to be paid (Tab E).
- f. Separation and payment of benefits in cases justified.

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D R A F T

4 Nov 59

REGULATION

NO.

25X1A

PERSONNEL
Date

SEPARATION OF SURPLUS PERSONNEL

1. GENERAL

In the event it becomes necessary to reduce administratively the number of employees in the Agency, or in any component part of it, or among any defined category of personnel, this Regulation will apply to the exclusion of all other regulations pertaining to involuntary separation of personnel. However, whether the separation of surplus personnel is contemplated or in process, there is no suspension of the Agency's responsibility and authority to remove, demote, or reassign any employee whose conduct or capacity is such that such action will promote the efficiency of the service. A program or programs involving separation of surplus personnel will be promulgated in accordance with the provisions of this Regulation set forth below.



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2. POLICY

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c. The record of past performance, accomplishments, and contribution to the mission of the Agency of each individual being considered for separation shall be thoughtfully weighed along with the assessment of current performance and potential.

d. Personnel shall be separated from employment as a result of manpower adjustments only after all possibilities have been exhausted for their reassignment to other positions commensurate with their skills and ability.

e. The employment of personnel shall not be jeopardized by reason of the circumstances or accident of the location of their assignments at the time personnel reductions are made.

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HANDBOOK

25X1A NO.

HB 25X1A
PERSONNEL
Date

SEPARATION OF SURPLUS PERSONNEL

1. APPLICABILITY OF PROCEDURES

a. The procedures given herewith shall apply to a Career Service if the personnel assigned to that Career Service exceed the number of spaces as given in the Career Service Staffing Authorization (CSSA) on the ninety-first day after the CSSA is approved or revised The Head of the Career Service, in consultation with the Deputy Director concerned and the Deputy Director (Support), shall designate the grade levels and, if need be, the categories of specialization of personnel to be regarded as surplus.

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b. These procedures shall also apply when, at the request of the Head of the Career Service and the Deputy Director concerned, the Director of Central Intelligence authorizes the reduction in number of a defined category of personnel in the interest of the long-range needs of the Service.

c. Civilian employees not assigned to Career Services shall be administered by the responsible operating official and shall be subject to the application of these procedures whenever it is determined that such personnel are excess to Agency requirements.

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2. ESTABLISHMENT OF RETENTION REGISTER

a. Definition. A retention register is a rank order listing of personnel in any category affected by a planned reduction. The ranking determines the order of precedence for retention by the Career Service, or, in the case of non-Career Service personnel, by the organization concerned.

b. Initial Ranking by Board or Panel. Rankings in order to establish registers may be initiated by existent Career Service Boards or Panels or by Boards specifically established by the Deputy Director concerned. These rankings shall be completed within forty-five days after the decision is taken to reduce the number of personnel in a given category. The Board or Panel shall assign each individual on the register to a specific position, going from highest to lowest except that the Board or Panel may employ the procedures outlined below whenever the register comprises twenty-one or more individuals:

Such registers shall be divided into ten sections. The Career Service shall assign individuals to each section, the first section containing those ranking highest, then downward to the last section which shall contain the names of those ranking lowest on the register, the sections to be as nearly equal in size as possible. Those sections at the lowest part of the register which comprise ten individuals or twice the number of individuals to be separated if this number be larger than ten will be consolidated into one group and a specific rank order of all individuals in this group from highest to lowest shall be established.

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c. Factors to be Considered. The Head of the Career Service, or operating official, shall ensure that the following factors are carefully weighed in establishing the ranking of personnel: (1) position performance; (2) qualifications; and (3) potential for future usefulness. To this end he shall provide to the Board or Panel specific, written instructions concerning the application of these factors.

3. REVIEW OF RETENTION REGISTERS

a. After the retention registers are complete, a committee of three disinterested senior officials appointed by the Director of Central Intelligence shall review the official personnel and other pertinent files of those individuals who have been placed in specific rank order in accordance with the provisions of paragraph 2, above. The committee shall give careful attention to the complete record of Federal employment and military service, as well as to the factors as prescribed by the Career Service Head or operating official concerned. The committee, by majority vote, shall revise the rank order of this group, if it deems such revision warranted, duly noting such changes as are made.

b. The Head of the Career Service, or operating official, shall then review the specific rankings as revised and noted and shall make and record such changes as he shall deem warranted.

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c. The Director of Personnel shall then review the Career Service retention registers as revised and noted by the committee and Head of the Career Service or operating official. In accordance with paragraphs 2 c, d, and e of basic regulation he shall ensure that every reasonable effort has been made to protect the interests of individuals being considered for separation and to retain in Agency employment those who qualify for positions in components or Career Services other than the one which has nominated them for separation. He shall recommend to the Director of Central Intelligence the separation of individuals who are deemed to be surplus to the Agency as being advisable in the interests of the United States.

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REGULATION

25X1A NO.

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25X1A

PERSONNEL

Date

SEPARATION COMPENSATION

1. GENERAL

Among the personnel who are nominated for separation in accordance with the provisions of Regulation are individuals who, because of the nature and circumstances of their service with the Agency are at a disadvantage in making occupational transfers and may therefore be unable to command reasonable levels of earned income for an extended period of time following termination of Agency employment. Separation compensation, as authorized herein, is granted for the purpose of assisting such individuals during the process of their vocational reorientation.

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3. POLICY

a. The decision to grant separation compensation in any given case will be based solely upon a review of the nature and circumstances of the individual's employment in the light of the standards set forth herewith. The determination

TAB E

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of the applicability of these standards in any given case is the sole prerogative of the Director of Central Intelligence or his appointed representative: however, an individual who is denied separation compensation may appeal such decision by submitting further evidence concerning the nature and circumstances of his employment. ILLEGIB

b. Separation compensation will be granted to those personnel thirty years of age or more who have completed five or more years of satisfactory Agency civilian service and who, during the predominant period of their service, have been trained for or assigned to positions which are part of the overseas intelligence, operations and communications structure of the Agency's organization and who are to be separated for the purpose of achieving a balanced distribution of age and grade groups within that structure.

c. Separation compensation may be granted to other individuals thirty years of age or more who are separated as excess to Agency needs, it being established that for a period of five years or more preceding separation they were assigned to duties which required the acquisition and application of skills for which requirements in other Government or commercial fields of employment are either rare or nonexistent and which effectively prevented them from studying, practicing, or otherwise developing or retaining proficiency in an established occupation or profession.

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4. RESPONSIBILITIES

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25X1A In consultation with the Head of the Career Service concerned, the Director of Personnel will review the nature and circumstances of the assignment of each individual scheduled for involuntary separation in accordance with the provision of Regulation and, in appropriate cases, will recommend to the Director of Central Intelligence that separation compensation be granted.

5. COMPUTATION OF SEPARATION COMPENSATION

Separation compensation shall be at the rate of one-twelfth current annual *basic* salary for each year of continuous Agency service immediately preceding the separation excepting that:

- a. Separation compensation shall not exceed one year's salary.
- b. The Director of Personnel may recommend to the Director a lesser amount of separation compensation than that provided above when circumstances so warrant.
- c. Separation compensation to persons who, by reason of involuntary separation, are eligible for an immediate retirement annuity under the Federal Civil Service Retirement Act shall not exceed the difference between their terminal annual ^{*base*} salary and the amount of annuity payable during the twelve months following separation.

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6. PAYMENT

Separation compensation shall be payable at the option of the individual as a single sum or as two variable installments thereof provided only that final payment shall be made no later than the month of January following separation.

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

M:

Gordon M. Stewart
2611 Curie

NO.

DATE

6 November 1959

TO: (Officer designation, room number, and building)

DATE

OFFICER'S
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Lawrence R. Houston
221 East

12 November 1959

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